

Josef Rechen

Approved For Release 2003/06/17 : CIA-RDP80B01676R003700040032-5

Mr. Allen W. Dulles, Washington

Dear Sir,

I am a chemical and building engineer, lived before the war in Cracov, Poland, and this short my story :

I fled in September 1939 with my children to Lvov, where the Russians came a few days later. To live I had to see for work and so I proposed the authorities an invention of mine (Fire-proof) and as this is important for a land where the most buildings are of wood, Mr. Khrushchev invited me to Kiev, where he was the boss at this time, and afterwards I've been invited to Moscow and worked in the Ministry of Defence till 8. of July 1941. Ten days later they arrested me already as a spy. But as they had not a smallest proof against me, so I was sentenced by NKWD to 8 years hard labor camps and as it finished they have sent me to the north of Siberia in exile and finally in June 1957 they freed me to go to Israel.

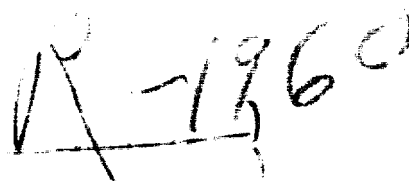
Here I wrote last year my Memoires "18 years in Sovjet-Russia". As I have been there at the top (I've got 3.000 Rubl a month, when my typist had only 200 Rbl) and afterwards at the bottom, so you can imagine that I've learned the real life in Russia better than a tourist and even any foreigner who sits there years and so I showed that the the King is - naked..

I wrote these memoires in German, because I don't govern enough the English (as you can see on this letter) and the manuscript is now at Hoffmann and Campe publishers in Hamburg. In the beginning of this year a friend of mine, Prof. Dr. A. Tartakower, sent it to Dr. Joachim Prinz and the latter praised it, but said that a translation into English would cost much money and so he sent me the copy back.

But my purpose were to show the english speaking workers how the real life of a Sovjet worker appears. To give you a sample of my writing I enclose a copy of an article I sent yesterday to a Press Agency in Germany and as to the manuscript I am always to your disposition and were only happy if it would be published in the USA.

I am dear Sir

Yours truly



ILLEGIB

Approved For Release 2003/06/17 : CIA-RDP80B01676R003700040032-5

Next 3 Page(s) In Document Exempt

Approved For Release 2003/06/17 : CIA-RDP80B01676R003700040032-5

95/60

Wheat and Crude Oil -- The Paradox of the Soviet Economy

During the "glorious" Stalin era, the Soviet empire was suffering literally from hunger, but not everybody. The "New Class" was always well-fed, although perhaps not well-dressed; but the people remained hungry. Potatoes and bread were and still are the main foods. The fortunate ones were able to supply themselves with potatoes in the fall, but in order to obtain bread one had to stand every day in a long line. This was done not only in the early morning hours, but also in the early evening hours since there was not always a sufficient supply of bread in the stores. I was not the only one who often left the store without bread.

Better times seemed to have arrived with the "New Era." Mr Khrushchev acted out the play better than Stalin; the latter would have arrested 5 million people to cultivate the fallow land, half of whom would have died before harvesting time. On the other hand, Khrushchev appealed to the youth, to nationalism -- and he was successful. Tens of thousands of young people went to the deserts of the Kazakh SSR and Siberia, cultivated and sowed the virgin land; and in 1956, the newly seeded 30 million hectares of land delivered such an excess of wheat, that it made the people shout with delight -- finally there was no bread shortage any more !

However, there were no silos for storing this harvest, and it is difficult for people in foreign countries to realize how much of it was devoured by rats and mice. But human beings also enjoyed this wheat. Hundreds of

thousands of tons were sent to Egypt, India, Poland, and other places. The outsiders were always told: "We are exporting everything that we do not need here." But this is a paradox of the Soviet economy: While large amounts of bread were being exported, long rows of people were standing in front of bread stores in the cities and towns of the USSR. During these prosperous years, specifically during the winter of 1956/1957, I was in a large Siberian town of 20,000 inhabitants. Several important small industries were established in this town. The women there would stand in line many nights for bread, in a temperature averaging minus 50 degrees Centigrade. Since nobody could stand in line this way every night, the women agreed that one of them would stand there and represent five other women, who would come and wait in line around 0800 hours. It was better in the larger cities. However, we are able to read now in Soviet newspapers that this year the bread supply situation has become worse.

- - -

I remember very well the announcements made at that time of a Soviet offensive in the export of crude oil. I would like to say the following regarding this matter: The production of crude oil has increased tremendously during the postwar years. New deposits have been discovered. Oil is now being produced in the northeastern area of European Russia, in the Bashkir ASSR (east of the Urals), in northern Siberia, on the shores of the Arctic Ocean, and from the bottom of the Caspian Sea. They are practically drowning in all their oil. What is the actual cost of this product? Although the Arab laborer works in the oil fields at a ridiculously low wage, one must bear in

mind that the American and British oil syndicates must surrender a large amount of the profit to the Arab and Persian owners. However, everything belongs to the State in the USSR. Also the wages of the Soviet worker are not any higher than those of the Arab worker. An oil worker in these areas earns on the average 600 rubles per month, or about 24 rubles per day. Let us not be deceived by the official exchange rate, because all this is nothing more than a "bluff." The actual value of the exchange can only be determined in accordance with the goods that one receives for the exchange. I would like to mention the following examples: White bread costs 4 rubles, sugar 10 to 11 rubles (depending upon the location), meat 25 rubles, butter 30 rubles. Everything is priced in kilograms; sometimes some^{of} the goods are not even available for purchase. However, there is one item that can always be purchased at these workers' stores -- the national drink: VODKA. But the price for half a liter of 80 proof vodka is 24 rubles. Taking everything into consideration: Does a man work a whole day for half a liter of vodka or for one kilogram of meat (which he is seldom able to buy)?

This makes it easier to understand why the Soviets can compete easier in the world market not only with crude oil, but also with industrial goods. The export firms do not carry out any kind of calculations. All they do is learn by means of bribery what the "capitalistic competitor" is asking for his goods, and simply underbid this by 10 - 25 percent. This is their version of "peaceful coexistence of both economic systems." The situation is similar to that of the Biblical story of Isaias: "The wolf with the Sheep." Of course the "sheep" is peace loving USSR. With the oil dealings, it is important not

only to acquire machinery as compensation, as is done in dealings with Western Europe, but it is also important to disorganize the market (such as the offer made to India), or for political reasons (Cuba). In this way, two birds are killed with one stone.

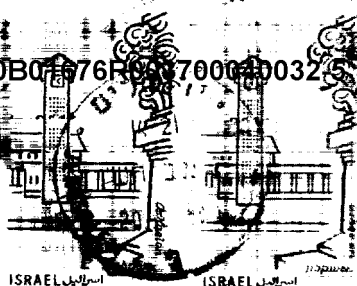
The matter that interests us the most in this writing is the previously mentioned paradox of the Soviet economy: Although it is generally believed that there is an abundance of wheat and oil in the USSR, the contrary is actually true. The private consumer can barely purchase oil products at the official price. Without going into details, I would like to mention that all means of transportation belong to the State. The drivers receive trip tickets and must afterwards account for their use of oil products. Certain workers, such as the Stakhanovites in mines, gold refineries, and similar specialists in all other fields, earn so much that they are able to buy motorcycles. They pay in advance and wait several months until their motorcycle arrives -- then they cannot buy any gasoline. But in the Soviet countries, the people are able to find a way out of a problem such as this. They buy the gasoline at a much higher price than the official one from truck drivers. How can the truck driver otherwise support his family if he only earns on the average 600 rubles per month?

This leads us to another fundamental question: How does the Soviet worker live? The answer to this cannot be found in this article.

Joseph Rechen

[Handwritten note in English:]

Dear Mr Dulles, I would be very thankful if you would



Mr.

Allen W. Dulles

Washington

U. S. A.

STAT

Approved For Release 2003/06/17 : CIA-RDP80B01676R003700040032-5

Next 4 Page(s) In Document Exempt

Approved For Release 2003/06/17 : CIA-RDP80B01676R003700040032-5